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Supreme Court of the United States

OCTOBER TERM, 1955

NO. 785 71

THE COLD METAL PROCESS COMPANY et al.,
Petitioners

v.

UNITED ENGINEERING & FOUNDRY COMPANY,
Respondent.

RESPONDENT'S BRIEF OPPOSING PETITION FOR CERTIORARI

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INDEX

CITATIONS

CASES

RESPONDENT'S BRIEF OPPOSING THE PETITION FOR A WRIT OF CERTIORARI

Questions Presented

Respondent cannot agree with petitioner's statement under this head. The case below is not one where a non-appealable order has been made appealable by, and only by, the certificate of FRCP Rule 54 (b). No jurisdiction not existing in the absence of this rule has been created or conferred in this case merely by the recital specified in the rule. The case presented is one where the Court of Appeals below required the final order and judgment of the district court to be worded in accordance with Rule 54 (b) as a procedural matter because dependent conditional issues were pleaded in a copending separate Civil Action, and where trial of that civil action had been continued *sine die* by the district court, pursuant to joint request of the parties (as the court said), "because the issues on this Civil Action are in a major respect dependent upon disposition by the Court of the Report of a Special Master in Equity 2991, to which this case [Civil Action 7744] is ancillary, or in partial effect a counterclaim for recoupment or set off." The question (stated by petitioner) of "automatically and conclusively creating a final appealable order conferring immediate jurisdiction in the Court of Appeals," is not present in the case below. There is no conflict of the case at bar with any decision of any Court of Appeals applying Rule 54 (b) to similar facts.

All of the issues presented by the original pleadings in Equity 2991, developed in the trial on those pleadings, and left open by the Court of Appeals after the trial, (by its decision in 107 F (2d) 27), have been finally disposed of by the Master's Report and by the district

court's affirmance of that report. The only unadjudicated issues between the parties are the dependent issues raised in Civil Action 7744, which was filed as an independent suit to enforce claims that only matured after the above-mentioned trial and appeal in Equity 2991. The statement in the preceding sentence is based on the opinion in 190 F (2d) 217. See footnote 17, page 221.

Counter-Statement of the Case.

Petitioner's statement of the case omits facts which throw light on the subject matter and nature of the appeal below, here involved.

On June 20, 1927 the parties entered into the patent license contract on which the pending litigation is based. It is printed as a footnote to a decision of the court below in this case reported at 107 F (2d) 27, and reprinted in Vol. II of United's Appendix, page 161, on file with this Court.

The third paragraph of that contract provides as follows:

> "3. When and if such claim or claims to common subject-matter are granted in any patent issued on Cold Metals' applications, Cold Metals shall grant to United a license to make, use and sell rolling mills under such claim or claims, which license shall be exclusive to United for 4-high hot mills and for 4-high cold mills, in which the major portion of the power required by a roll stand is supplied to the rolls directly and not through tension exerted on the material for pulling it through the rolls; * * *."

The patent (No. 1,779,195) contemplated by the contract issued October 21, 1930. Instead of granting the license, petitioner-Cold Metal sued respondent-United as an infringer of that patent, Equity 2506, filed March 7, 1931. United contested validity of the patent and alternatively pleaded license. January 9, 1933, the district court held the patent valid, but dismissed the complaint on the defense of license. 3 F. Supp. 120.

An appeal from the holding of validity was taken by respondent-United. The Third Circuit Court of Appeals below, upon petitioner's motion, on January 3, 1934, dismissed the appeal on the ground that United, being a licensee, could not contest validity. 68 F (2d) 564.

Assuming it had been held to have the exclusive license defined in the contract, respondent-United then sued (as exclusive licensee, joining Cold Metal) two competing unlicensed mill manufacturers. Respondent-Cold Metal thereupon filed on November 17, 1934, the suit (Equity 2991) in which the appeal below arises. A principal prayer of the complaint was that United be enjoined from prosecuting its suits as exclusive licensee. The trial court denied Cold Metal's motion for preliminary injunction and reaffirmed its decision that United was entitled to the exclusive license defined in the 1927 contract. 9 F. Supp. 994.

The Court of Appeals below on September 27, 1935, on an interlocutory appeal, ordered the preliminary injunction, stating *inter alia* that the contract was unenforceable for lack of terms, particularly the rate of royalty to be paid. 79 F (2d) 666.

Respondent-Cold Metal on May 11, 1936 filed a supplemental complaint in Equity 2991 asking *inter alia*

that United be held to account as an infringer, and that the 1927 contract be judicially rescinded. Upon trial on the merits the trial court on January 4, 1938 again held the contract valid and enforceable, but, pursuant to mandate, permanently enjoined United from prosecuting its suits as exclusive licensee. 83 F. Supp. 914.

Respondent-Cold Metal again appealed. The Court of Appeals below on June 15, 1939, held the contract valid and enforceable, United entitled to the exclusive license defined in the contract, and directed the lower court to supply the rate of royalty for the license, to complete the contract. 107 F (2d) 27.

On June 20, 1941, respondent-United filed a motion in the district court for leave to file an amended answer and counterclaim in Equity 2991. In that pleading it sought to force petitioner-Cold Metal to respect respondent's license, and to raise other issues based on petitioners breach (after the 1939 decision of the appellate court) of the license, consistent with its present position. On February 18, 1942 the district court denied the motion on the ground that the district court could only carry out the existing mandate of the Court of Appeals. The opinion said the affirmative relief sought should be the subject matter of a *separate suit*, and the alleged breaches of contract by Cold Metal could be raised before the master in determining payment due under the contract. 43 F. Supp. 375.

On September 29, 1943 the district court entered a decree pursuant to mandate appointing the master (whose report is now the basis of the pending appeals by both parties) to determine payment due from respondent-United for past operation under the contract,

and to ascertain and state the rate and basis of payment on licensed mills sold thereafter.

On March 28, 1949, after the patents under which respondent claims an exclusive license had expired, and after the accounting had been in process for six years, United filed in the district court below an "Ancillary Cross-Complaint," Civil Action No. 7744, seeking to enforce the previous decisions of the courts below to protect users of licensed mills, and seeking to require Cold Metal to account for moneys it had collected within the field of United's exclusive license and to recover such moneys *to the extent necessary to off-set or recoup any amount of royalty that might be otherwise due from respondent-United for the license.* See prayers, printed at page 22 of the appendix to this brief.

United thereafter filed a motion in that Civil Action for preliminary injunction to restrain petitioner-Cold Metal from suing users of United licensed mills. Petitioner-Cold Metal concurrently filed a motion to dismiss the ancillary complaint. On August 28, 1950 the district court dismissed the complaint on the ground that it was not ancillary to Equity 2506 or Equity 2991. 92 F. Supp. 596.

Respondent-United appealed. The Court of Appeals below on June 8, 1951 held the subject matter *clearly ancillary and within the jurisdiction and venue of the district court,* but that the pleading should have been filed or entitled as a *permissive* counterclaim in Equity 2991. 190 F (2d) 217. See footnote 17 of that opinion.

Respondent-United thereupon filed an "Amended Ancillary Complaint and Counterclaim" in Civil Action

7744 on October 29, 1951. Petitioner again moved to dismiss the complaint and counterclaim. That motion after a long delay was denied.

In June 1954, after filing of the master's report in Equity 2991, but before objections thereon had been filed, Civil Action 7744 was noticed for pre-trial and trial by Judge Miller of the district court. Counsel for petitioner and respondent went before Judge Miller and jointly informed him that they *desired to dispose of the master's report before trial of the issues of the copending civil action,* that the issues in the civil action were "in a major respect dependent upon disposition by the court of the report of a special master in Equity 2991" and that disposition of the master's report might make it undesirable to try the copending civil action. Thereupon Judge Miller entered an order continuing the civil action *sine die,* and removing it from the trial calendar. That was and still is the status of what the petitioner refers to as the unadjudicated "counterclaim." Judge Miller's order, reciting the agreement of counsel on which it was based, is printed at page 75a of petitioner's motion to dismiss respondent's present appeal. (Yellow cover.) For convenience of this court, since only one copy of that document is here on file, we reprint that order as an appendix to this brief, at page 25 below.

The master's report was filed May 28, 1954. That report is Volume II of United's Appendix, nine copies of which are on file with the petition for certiorari.

The master's report lists the licensed mills, fixes the royalty rate for the license, finds that United's license was effective from 1930 to 1947, and that United's

customers were licensed to use United mills within the scope of the license, holds that certain United mills are exempt from royalty, that Cold Metal has failed to respect the license defined in the contract, and has failed to perform its obligations under the contract in numerous specifically stated respects, but nevertheless held United liable for royalty payment for the license. Vol. II of United's Appendix, pp. 38-42.

The trial court approved the master's report and entered judgment for $387,650 with interest at 6% from the date of the master's report. Appendix to the petition for certiorari herein, pages 16-33. Both parties appealed.

Thereafter, after having filed an appeal, petitioner-Cold Metal moved to dismiss respondent-United's appeal on the sole ground that the district court's order *did not comply with Rule 54 (b)*. Respondent-United argued to the appellate court below in support of its appeal, that the court's order was final and appealable *per se* because it adjudicated the vital issues and controlling principles upon which the copending unadjudicated issues set out in Civil Action 7744 are dependent, pointing out that if respondent's appeal succeeds, the issues in the copending action will in all material respects be disposed of, and that in any event final decision of the controlling issues raised by the master's report is necessary before the dependent issues in the ancillary civil action can be tried, as indicated in Judge Miller's order above referred to. Petitioner-United's brief on that appeal is in the record of the petition for certiorari. That first appeal of respondent was dismissed by the order printed at page 31 of the appendix to the petition.

Contrary to what petitioner argues at page 8 of its petition, the Court of Appeals below *did not hold* that the judgment below was not *per se* appealable, except for Rule 54 (b) FRCP. As we understand, the appellate court dismissed the first appeal because the trial court did not follow the *procedure* provided by Rule 54 (b).

The order of the court below dismissing respondent's first appeal (without prejudice to entering by the trial court of an amended order "in compliance with Rule 54 (b)") is printed at page 31 of Appendix B of the petition for certiorari. It indicates by obvious inference that the appeal was dismissed because Rule 54 (b) had not been followed and the trial court could remedy this procedural error by vacating the first order and entering an amended "final judgment in accordance with the provision of Rule 54 (b)."

Respondent-United promptly moved the district court to vacate its first order and to enter an amended judgment in accordance with that rule. Petitioner opposed that motion. An amended order was entered by the district court complying with Rule 54 (b). It is the order now on appeal by both parties. It is printed at page 32 of the petition for certiorari.

Respondent-United's pending appeal was filed March 31, 1955, from the amended order. Petitioner moved to dismiss that second appeal on the ground that the district court was without authority to enter the amended order, or had abused its discretion in including the certificate provided by Rule 54 (b) in its amended order. A single copy (yellow cover) of that motion, the brief supporting it, and appendices, has been filed in

this Court as part of the record on the petition for certiorari.

The Court of Appeals below denied petitioner's motion to dismiss, after oral argument and full briefing by both parties, by its order of April 21, 1955. With that order it filed an opinion. That order and opinion are printed at pages 34-5 of Appendix B to the petition for certiorari. In that opinion the Court of Appeals below says that the circumstances and procedure upon which the respondent's pending appeal is based "is the very kind of thing Rule 54 (b) was written to provide for."

Both petitioner and respondent are in the appellate court below appealing from that order and judgment. Respondent-United contests the order and judgment approving the master's report on the ground *inter alia* that petitioner has no standing to collect royalty under a license which the master found it has always denied, repudiated, and breached. Petitioner-Cold Metal contests the established rate of royalty, the master's list of mills subject to royalty, the amount of the judgment, the holding that respondent-United has ever possessed the license defined by the contract in suit, and asserts a right to maintain current suits against users of United mills as *infringers* by use of the very United mills for which royalty has been assessed by the master and the district court. The statements of this paragraph are based on the opinion of the district court, printed at page 16 of the appendix to the petition for certiorari.

Petitioner's statement of the case, and other portions of the petition, refer to the unadjudicated proceedings in Civil Action 7744 as a "counterclaim" seeking an

accounting, damages, a set-off, etc., arising out of the same transaction as that on which the complaint in Equity 2991 is based. That pleading is printed at pages 53a-73a of the (yellow) Motion of Petitioner to dismiss the appeal in question. For convenience of this court (since but one copy of that motion is in the record here), we reprint the prayers of that counterclaim in the appendix to this brief at page 22 below.

When objections to the master's report were argued before the district court in December 1954 neither party suggested to that court that the copending civil action should be considered with, or decided before, final disposition of the issues raised by the master's report. They had previously stated the contrary to Judge Miller in a joint request to have trial of that copending Civil Action 7744 postponed *sine die,* pending disposition of the master's report in Equity 2991. After the decision of the district court, entry of an order approving the master's report, and entry of judgment thereon, both parties appealed, still without having raised any question of the propriety and desirability of immediate appellate decision on the controlling issues raised by the Master's report, prior to trial of Civil Action 7744.

When petitioner opposed the entry of any amended order, the matter was argued in open court. The transcript of that hearing is in the record on this petition. It is printed at pages 32a-49a of the appendix to petitioner's motion to dismiss the appeal here involved. Extracts from it are printed here, there being but one copy filed with the petition for certiorari.

Specifically Judge Willson said in that hearing on the motion to enter a new judgment in accordance with Rule 54 (b):

> "*The Court*: Of course, aside from that, the Court intended that [first] order to be a final order. * * * But there is no question about it, as far as the Court is concerned, and I say that to Mr. Webb here and all of you, so far as I was concerned, when I entered that order, I intended a final appealable order with regard to the issue then before me, without question. * * * But the Court is of a mind to sign this [amended] order, put this case in shape so it can be appealed. Because I intended flatly, based on the arguments, based on Mr. Houston's report, to confirm that report. That is all. So that this case could be decided. I think it ought to be decided by the Court of Appeals."
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> "*The Court*: If the Court of Appeals should affirm this Court, *then the counterclaim can be asserted against that judgment.** This matter can be tried. Here we had a case ten years before the Master. And I think it ought to be decided."
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> "*The Court*: Mr. Webb, it doesn't do any good —the way I view it, we have a case here that has been going on for twenty years. There are cases in all district courts in the east, apparently, on this question. It just seems to me that we should proceed the way we intended, the way the Court thought everybody wanted the Court to proceed,

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* Italics in quotations added.

and that was that that argument should be a final decision on Mr. Houston's report.

"I think, so far as this Court is concerned, without a decision by the Court of Appeals on that report, that we would just be wandering in an area where we couldn't see our way out if we tried any other issue until this case is decided.

"*Mr. Webb*: I don't view it in that light, your Honor.

"*The Court*: The Court does.

"*The Court*: Mr. Webb, I think this is exactly the proceeding the Court should have taken in the first place. I say that very frankly. It is what I intended. This matter was not raised at argument. We argued it very extensively. Briefs were filed, and I don't remember that anything was said about waiting for any other counterclaim or anything else.* * *

"*The Court*: I say very frankly that had this matter been raised, had the Court considered the necessity of applying the 54(b), it would have only taken a couple of seconds to insert that sentence, that magic sentence in that order.

"*The Court*: With all deference to other Courts and to counsel in this case and to you, Mr. Webb, I feel they are entitled to have this order. I personally would like to see the Court of Appeals pass on this matter because I think it will in the long run facilitate this litigation, in the hope that at some

time it will come to a termination and an end. I don't think it can until they have decided this case."

* * * *

"*The Court*: I think if we get a clear cut decision from the Court of Appeals on this question, on this Master's report, and the issues that are raised, and the objections, I think then any Court here, in this Western District of Pennsylvania, will be—the way will be pointed out whereby those matters can be adjudicated. *And without that, I think we are just wandering. I know this Court at least would wander around in a forest where you couldn't see your way out.*"

* * * *

ARGUMENT

We respectfully submit that the petition for certiorari should be denied for the following reasons.

Basic controlling severable issues have been finally decided; the issues in the ancillary complaint and counterclaim are dependent upon issues raised by the appeals.

1. The basic and controlling issues contested by the pending appeals below arise on the master's report in Equity 2991. Those issues on appeal have been treated by two judges of the district court as severable from the issues raised by Civil Action 7744. That is shown by Judge Miller's order in Civil Action 7744, July 6, 1954, postponing *sine die* trial of the civil action pending disposition of the master's report. (That order is printed at page 25 of the appendix to this brief.) It is also shown by the statements of Judge Willson on the argument as to entry of the amended order now on appeal, quoted above in our counter-statement of the case before this Court.

2. Civil Action 7744 was originally filed as a separate ancillary suit, not as a counterclaim, and was primarily an attempt to enforce decisions of the courts below in Equity 2506 and in Equity 2991. Those appellate decisions are reported: in 1934, 68 F(2d) 564; in 1939, 107 F(2d) 27. In spite of those decisions, petitioner-Cold Metal has always denied, and still denies, (and by its appeal asserts that position),—that respondent-United has ever possessed any license under the contract in suit, has denied that any purchaser of a mill

from United has had or now has any right to use it, and has throughout 1934 to date sued twenty or more users of United licensed mills as infringers. See Fact Findings 72-77, pages 29-30 of the Master's Report, United Appendix Vol. II, nine copies of which are on file as part of the record before this court.

Insofar as that civil action was amended (as required by the Court of Appeals (190 F(2d) 217) below to state *inter alia* a permissive defensive counterclaim for set-off or recoupment, that "counterclaim" for set off (which petitioner refers to as "damages") obviously only becomes pertinent if the money judgment against United is affirmed on the pending appeals. (Perhaps it should have been filed after and only if the money judgment for royalty under the license is sustained on appeal; certainly it is dependent upon and controlled by a final money judgment against respondent-United.)

Insofar as the civil action prays for an accounting of moneys improperly collected by petitioner-Cold Metal within the field of United's exclusive license, that issue cannot be tried properly until and unless the rate and basis of royalty payment due from United for the license is finally determined; until the existence and scope of United's license is finally adjudicated, and until the mills coming under that license have been determined. All of those issues are involved and contested in the present appeals pending in the court below.

Obviously, if petitioner-Cold Metal's position that United has had no license under the contract in suit is sustained on the pending appeals, *all of the issues of Civil Action 7744 are thereby disposed of.* If respondent-

United has had no license it owes no royalty; if it owes no royalty it has no claim for a set-off or recoupment of payment for the license; if it has had no license it has no right to enjoin pending suits by petitioner-Cold Metal against United's customers, and no right to recover any expense of defending its customers for use of licensed mills.

3. The issues raised by the master's report in Equity 2991 are of such a nature that they control all the issues raised in the copending Civil Action 7744. As Judge Willson in effect said, until those disputed issues raised by the master's report are settled by the Court of Appeals, the district court would not be able intelligently to try the copending civil action. See quotations of statements of Judge Willson in our Counter-Statement of the Case above.

Rule 54(b) is procedural in this case; it has not *per se* created an appealable order where no appealable final order could have been entered except for the Rule.

4. Petitioner argues for certiorari on the theory that Rule 54(b) has been used to "automatically and conclusively create a final and appealable order" which *except* for Rule 54(b) would not be appealable. (Petition, page 8-9). That is not so. The court below has not so held. The history of the case, the issues involved in the order appealed from, and the nature of the issues raised by the copending Civil Action, and the statement of the two courts below, show that no such effect of Rule 54(b) has been given it in this case, therefore, no such construction of the rule is here involved.

The Sears Roebuck case (218 F(2d) 295), now before this court on certiorari, is quite different. There the Court of Appeals for the Seventh Circuit specifically held that the order appealed from would not have been appealable except for Rule 54(b). There is a similar holding by the Appellate Court in all the other cases which are cited by the petition at pages 6-7 as showing conflicting interpretation of that rule.

5. On the first motion to dismiss we argued that compliance with Rule 54(b) was not necessary because the judgment entered January 19, 1955, adopting the master's report, was so final in nature, and so completely controlling of the dependent issues raised in the copending Civil Action 7744 ,that an appeal would have been proper under the statute before 54(b), or 54(b) as amended, were adopted. Our statement of the case as a whole, and the statements of the district court quoted above and in Judge Miller's order in Civil Action 7744 (p. 25 of the appendix to this brief) demonstrate the vital and controlling issues raised by the present appeals, and the necessity of having appellate decision thereon before trial of the unadjudicated *dependent* issues in the copending civil action. Application of Rule 54(b) to such an order is purely procedural and has not here "automatically and conclusively created" appellate jurisdiction not otherwise proper. Consequently no unwarranted extension of jurisdiction by rule of court is presented for consideration of this court by the petition in this case.

Before the Rules of Civil Procedure were adopted by this court, it had in proper cases approved appeals from

adjudication of part of the issues in a litigation, while other issues remained for later adjudication, or to be disposed of in the light of an intermediate appellate decision on vital issues and guiding principles. That has been many times held by this court. See, for example, *Forgay v. Conrad,* 6 How. 201, 12 L. Ed 404; *Radio Station WOW v. Johnson,* 326 U.S. 120, 65 S. Ct. 1475; and *Kasishke v. Baker,* 144 F (2d) 384 (CCA 10, 1944).

As to the purpose and effect of amended Rule 54(b), see *Dickinson v. Petroleum Conversion Corp.,* 338 U.S. 507, 70 S. Ct. 322.

There is no conflict of interpretation of Rule 54(b) by the court below with that of other Courts of Appeals.

7. The diversity of decision in the lower courts in interpretation of the effect of Rule 54(b) as making proper appeals from decisions not appealable except for that rule, does not justify certiorari in the present case. As the appellate court below said, in its opinion (Petition Appendix p. 31) retaining the appeal here involved, the circumstances of the present case present "the very kind of thing Rule 54(b) was written to provide for." In the district and appellate courts below, Rule 54(b) was applied merely as a *procedural requirement* in entering a properly final and appealable order and judgment.

The present case does not conflict with the decision of any other court of appeals construing Rule 54(b) because the court below has *not* held that it has taken jurisdiction of an appeal that would not lie if there were no Rule 54(b). In the "conflicting decision" cited by

petitioner at pages 6 and 7 of the petition the courts were concerned with orders applying the rule to decisions that were said to be *made appealable by the rule, and otherwise would not have been final and appealable.*

Equities call for prompt appellate decision in this case on the issues inherent in the Master's Report.

8. The facts that this case has been pending since 1934; that an accounting extending over ten years and raising pending controlling issues in the whole litigation, has been completed; that the patents involved expired eight years ago; that petitioner is even yet refusing to comply with the decisions of the court below establishing respondent's rights as an exclusive licensee; and is even actively suing respondent's customers as infringers because they have used the very mills upon which the master and trial court have ordered royalty payment under the license,—take this case out of the ordinary run, and make it obvious that there should be no avoidable delay in having the controlling basic rights and obligations of the parties under the license contract in suit finally adjudicated.

Conclusion.

This case does not present any interpretation of FRCP Rule 54(b) conflicting with interpretation and intent of that rule as stated by this Court or by any other Court of Appeals. It does not present the same issue as that in the Sears Roebuck case, in which certiorari has been granted. In the present case the trial court has said in effect that appellate decision on the issues arising on a master's report in Equity 2991 is necessary before trial of dependent issues in copending Civil Action 7744 can be intelligently adjudicated. The trial court in its order entered July 6, 1954; appendix to this brief at page 25, in the separate copending Civil Action 7744 had accepted the joint statement of counsel for the parties hereto that the issues in 2991 arising under the Report of a Special Master should be disposed of before trial of that civil action, in which the issues were "dependent" on final decision on the master's report. If Rule 54(b) has any use or value whatever in procedural requirements it applies to the present circumstances, and has been properly used and construed by the trial and appellate courts below in this case. As the Court of Appeals below said in its opinion (appendix to the Petition for Certiorari at page 34) denying a motion to dismiss respondent's appeal from an amended judgment conforming with the rule in question:

> "We think the determination made under the circumstances of this case is the very kind of thing Rule 54(b) was written to provide for."

We understand this court's discussion of the Rule in *Dickinson v. Petroleum Conversion Corp., supra.*, to

be entirely in accord with that statement in the opinion of the Court of Appeals below.

The petition should be denied.

Respectfully submitted,

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Of Counsel

June 1, 1955.

APPENDIX

Prayers in Civil Action 7744.

36. United claims, by way of set-off or recoupment against any payment that may be found due in Equity 2991 from United to Cold Metal, a *pro tanto* portion of the amounts collected by Cold Metal from unlicensed mill builders and unlicensed users, for operations within the scope of United's exclusive license. United has no present means except by an accounting herein of ascertaining the amounts that have been collected by Cold Metal for use in United's exclusive field as herein set forth, and no means for segregating said amounts from portions as to which United may have no interest or right, or may make no claim, and no means of determining that portion of such amounts collected by Cold Metal that should properly be treated as a set-off against or recoupment of any judgment that may be rendered against United in Equity No. 2991 except by the accounting proceeding here sought.

WHEREFORE, United, prays:

I. That a permanent injunction issue from this Court restraining Cold Metal, its successors, assigns, and all those representing or in privity with it:

(a) from bringing or threatening to bring any further suit for infringement of Patents 1,779,195 and 1,744,016, or either of them, against any used of four-high roller-bearing mills purchased from United, the use of which falls within the scope of the license which United holds from Cold Metal under said patents by virtue of the 1927 contract; and

(b) from further prosecuting any infringement suits that have been filed heretofore by Cold Metal, its successors and assigns, or any others representing or in privity with it, based upon the use of four-high roller-bearing mills that have been furnished to said defendants by United and used within the scope of the license held by United under the said 1927 contract; and

(c) specifically from bringing, threatening to bring, or prosecuting any pending suit against any user of four-high roller-bearing mills purchased from United and used within the scope of United's license, alleging infringement of Patent 1,779,195 by said user; and

(d) specifically from bringing, threatening to bring, or prosecuting any suit against any user of four-high roller-bearing mills purchased from United alleging infringement by said user of Patent 1,744,016 where the major portion of the power required by a roll stand is supplied to the rolls directly and not through tension exerted on the material for pulling it through the rolls; and

(e) from asserting to mill users, competitors of United, and all like persons, that United does not have or has never had any license relating to four-high roller-bearing mills under Cold Metal Patents 1,779,195 and/or 1,744,016; and

II. United further prays that a preliminary injunction issue forthwith, restraining Cold Metal and its successors, assigns, and all those representing or in privity with it, as set forth in the preceding sub-paragraphs *a, b, c, d,* and *e* of Prayer I, pending final hearing and decisions of the issues raised herein.

III. That Cold Metal be ordered to account for:

(f) All monies it has collected from users of four-high roller-bearing mills purchased from United that fall within the scope of United's license as defined in the 1927 contract between the parties hereto;

(g) All monies it has collected from unlicensed makers of four-high roller-bearing mills, and from users of four-high roller-bearing mills not purchased from United, falling as to structure and/or use within the exclusive license defined in the said 1927 contract between the parties hereto; and

IV. That a Master be appointed to take an account of all monies that have been so collected by Cold Metal, its successors, and privies, and to determine the amount of such collections within the field of United's license that are properly an offset to or recoupment of any payment that may be found due from United to Cold Metal in Equity No. 2991; and

V. That Cold Metal be ordered to repay to United, the expenses United has incurred in connection with the defense of suits which Cold Metal has heretofore brought against United's customers based on alleged infringement by use of four-high roller-bearing mills purchased from United and made, sold, and used within the scope of the said license; and

VI. That United recover from Cold Metal its costs in this action, including reasonable attorney's fees, in view of Cold Metal's wilful defiance and disregard of this Court's decisions as hereinabove set forth; and

VII. That the Court grant such other and further relief as the circumstances and evidence may justify.

UNITED ENGINEERING AND FOUNDRY COMPANY,
Plaintiff.

Order Removing Case [Civil Action 7744] from Trial Calendar.

Counsel for the respective parties in this Action have appeared before me this day and have stated that they believe a pretrial would be premature at this time, because the issues of this Civil Action are in a major respect dependent upon disposition by the Court of the Report of a Special Master in Equity 2991, to which this case is ancillary, or in partial effect a counterclaim for recoupment or set off. That report of the Special Master was filed May 28, 1954. Objections are to be filed by July 15, 1954.

Counsel stated to the Court, that as presently advised, they prefer that the Master's report be disposed of by the Court before the present ancillary action is tried, because that disposition may make it undesirable to try the present Civil Action. Counsel therefore joined in a request that no pretrial be conducted at this time, and a request that this Civil Action be not set for trial pending disposition of the Master's report.

Now, therefore, the Court makes the following

ORDER

For good and sufficient reasons stated to the Court by Counsel for both parties, the pretrial conference heretofore fixed for July 8 is continued sine die, and this action is removed from the trial calendar of Sep-

tember 13, 1954, without prejudice to either party, subject to reinstatement for trial at any time by order of the Court upon its own initiative, or upon request by either party after reasonable notice.

MILLER,
United State District Judge.

July 6, 1954

Approved:

JO BAILY BROWN,
Of Counsel for Plaintiff;

WILLIAM H. WEBB,
Of Counsel for Defendants.